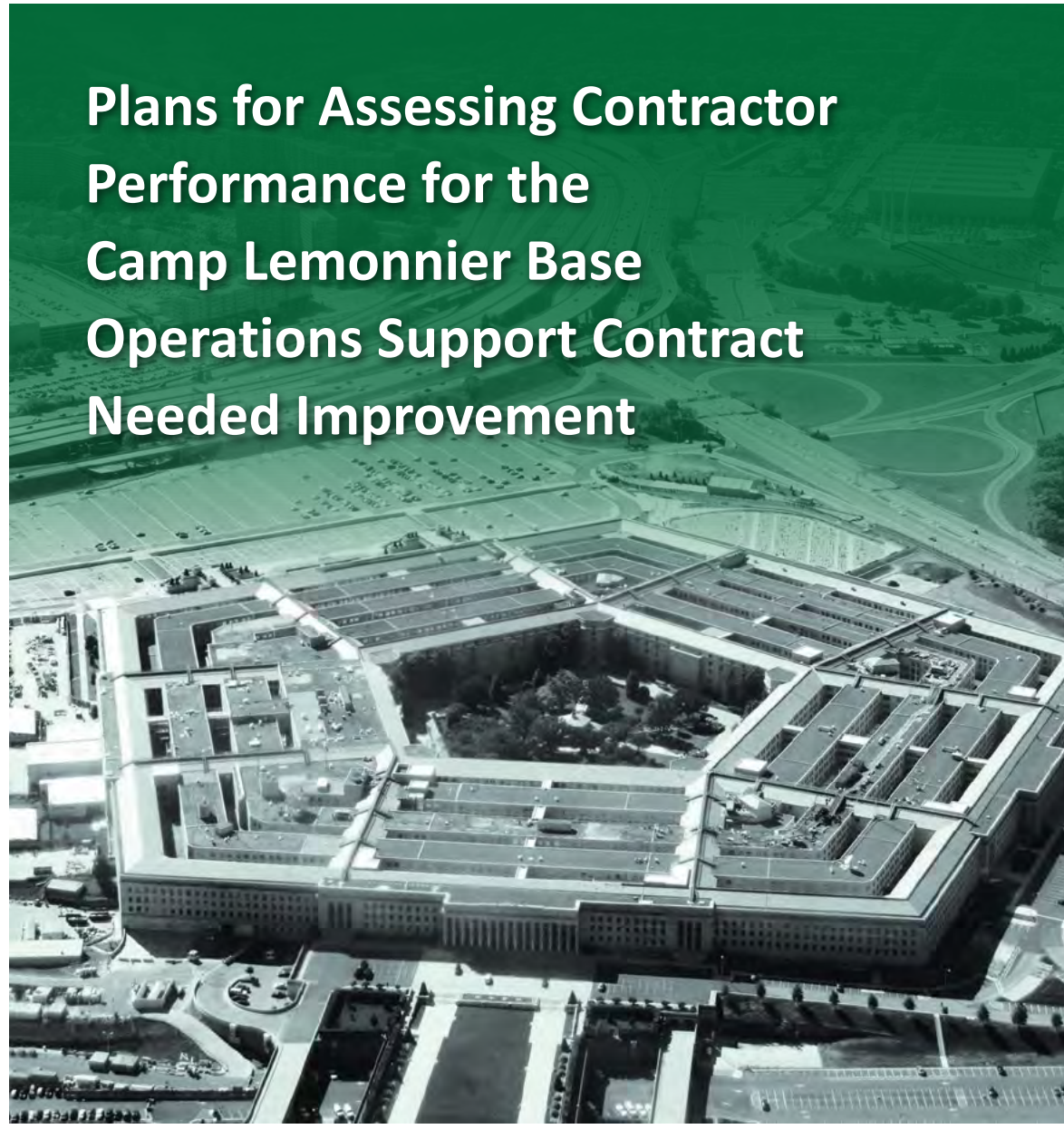


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# INSPECTOR GENERAL

*U.S. Department of Defense*

AUGUST 27, 2015



## Plans for Assessing Contractor Performance for the Camp Lemonnier Base Operations Support Contract Needed Improvement

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

The document contains information that may be exempt from mandatory disclosure under the Freedom of Information Act.

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INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

## Mission

*Our mission is to provide independent, relevant, and timely oversight of the Department of Defense that supports the warfighter; promotes accountability, integrity, and efficiency; advises the Secretary of Defense and Congress; and informs the public.*

## Vision

*Our vision is to be a model oversight organization in the Federal Government by leading change, speaking truth, and promoting excellence—a diverse organization, working together as one professional team, recognized as leaders in our field.*



For more information about whistleblower protection, please see the inside back cover.



# Results in Brief

## *Plans for Assessing Contractor Performance for the Camp Lemonnier Base Operations Support Contract Needed Improvement*

August 27, 2015

### Objective

Our objective was to determine whether DoD officials were effectively administering the base operations support contract at Camp Lemonnier, Djibouti, (CLDJ) Africa. Specifically, we determined the adequacy of the plans developed for assessing contractor performance.

### Finding

Naval Facilities Engineering Command (NAVFAC) Atlantic officials did not ensure plans for assessing contractor performance for the CLDJ base operations support contract were adequate. We nonstatistically sampled 3 of 22 base operations support contract services—security operations, fire and emergency services, and supply services. In summary, NAVFAC officials did not ensure the functional assessment plans (FAP) for the three services contained all contractor work requiring assessment, measurable performance standards, and adequate methods for assessing contractor performance.

This occurred because NAVFAC guidance did not require the contracting officer to review the FAPs after development and revisions to the FAPs, and did not require additional controls over the contractor assessment process in an expeditionary environment.

### Finding (cont'd)

(FOUO) As a result, contractor performance could not be properly assessed, increasing the risk that contract requirements were not being met for security operations, fire and emergency services, and supply services, which were valued at approximately [REDACTED]. Although we did not observe any substandard work performed by the contractor during our review, not meeting contract requirements for the services reviewed could have a direct effect on the life and safety of CLDJ personnel, and the security of CLDJ assets.

### Management Actions Taken

During the audit, NAVFAC officials took corrective actions to address the report findings. Specifically, on March 16, 2015, the Business Management System was revised as follows:

- Business Management System B-14.3 was updated to require the contract officer representative conduct a FAP review to ensure all contract work requirements are identified, and methods for assessment of contractor performance are appropriate for the work being assessed.
- Business Management System B-14.3 was updated to require the Facilities Engineering Command Facility Support Contract Management and Facility Services staff to provide technical support during FAP development and revision in locations where performance assessment personnel are in rotational or short term assignments.

In addition to updating the Business Management System, NAVFAC officials updated the security operations, fire and emergency, and supply services FAPs on March 25, 2015, in response to the deficiencies we identified. The updated FAPs added a unit of measure to each specification item. NAVFAC officials informed us that the updated FAPs were provided to CLDJ. Therefore, we made no recommendations in this report.

***Recommendations Table***

Management	Recommendations Requiring Comment
Commander, Naval Facilities Engineering Command	None



**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500**

August 27, 2015

MEMORANDUM FOR NAVAL INSPECTOR GENERAL

SUBJECT: Plans for Assessing Contractor Performance for the Camp Lemonnier Base  
Operations Support Contract Needed Improvement (Report No. DODIG-2015-163)

We are providing this report for your information and use. Naval Facilities Engineering Command Atlantic officials did not ensure that the plans for assessing contractor performance for the Camp Lemonnier base operations support contract were adequate. During the audit, Naval Facilities Engineering Command Atlantic officials took action to update Naval Facilities Engineering Command guidance and revised the plans for assessing contractor performance for the three base operations support contract services we reviewed. Therefore, we did not make recommendations in this report. We conducted this audit in accordance with the generally accepted government auditing standards.

No written response to this report was required, and none was received. Therefore, we are publishing this report in a final form. We considered management comments on a discussion draft of the report when preparing the final report.

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 699-7331 (DSN 499-7331).

A handwritten signature in black ink, reading "Carol N. Gorman", is positioned above the printed name.

Carol N. Gorman  
Assistant Inspector General  
Readiness and Cyber Operations

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### Acronyms and Abbreviations

# Introduction

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## Objective

Our audit objective was to determine whether DoD officials were effectively administering the base operations support contract at Camp Lemonnier, Djibouti (CLDJ), Africa. Specifically, we determined the adequacy of the plans developed for assessing contractor performance. See Appendix A for a discussion of our scope and methodology and prior audit coverage related to the objective. We also identified other matters of interest to improve the procedures for issuance of delivery orders and for updating the performance work statement (PWS) when contract requirements are modified, see Appendix C.

## Background

CLDJ is a Navy installation in the Horn of Africa region that provides critical support for U.S. Africa Command operations. The U.S. Government leases CLDJ and other facilities and areas from the Djiboutian government for \$63 million annually through an implementation agreement that, with all options, expires in 2044.

On December 6, 2012, the Naval Facilities Engineering Command (NAVFAC) Atlantic, Norfolk, Virginia, awarded a \$36 million firm fixed and indefinite quantity price contract, N62470-13-D-3008, for CLDJ base operations support. Under the contract terms, the contractor is required to provide the labor, supervision, management, tools, materials, equipment, facilities, transportation, and incidental engineering necessary to accomplish the 22 services included in the contract. Those services include security operations, fire and emergency, supply, food, custodial, pest control, waste management, and grounds maintenance (see Appendix B for a list of all 22 services). We included three of those services—security operations, fire and emergency, and supply—in our review.

## ***Roles and Responsibilities***

NAVFAC provides public works support for U.S. Naval shore installations around the world, and, as such, is responsible for administering the CLDJ base operations support contract. NAVFAC Atlantic, a subordinate command to NAVFAC, is responsible for pre-award duties<sup>1</sup> for the CLDJ base operations support contract. NAVFAC Atlantic has six facility engineering commands, one of which is NAVFAC Europe, Africa, South West Asia (EURAFSWA). NAVFAC EURAFSWA is responsible for overseeing the CLDJ base operations support contract and issuing

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<sup>1</sup> Pre-award duties include (but are not limited to) developing the contract performance work statement, preparing the independent government cost estimate, and developing the plans for assessing contractor performance.

delivery orders. To assist in conducting contract oversight for the CLDJ base operating contract, the contracting officer appoints a performance assessment representative (PAR). The PAR is responsible for verifying that the contractor performs in accordance with the contract terms and conditions and that the Government pays only for services required by the contract.

### ***Functional Assessment Plans***

NAVFAC requires the development of the functional assessment plans (FAP),<sup>2</sup> which the PARs use to conduct contract oversight. NAVFAC guidance<sup>3</sup> requires the NAVFAC specification writer<sup>4</sup> and performance assessment (PA)<sup>5</sup> personnel to develop the initial FAPs, and the PA personnel to revise and update the FAPs. Federal guidance requires that the FAP be prepared in conjunction with development of the contract PWS and include all contractor work requiring assessment and the assessment method. The PWS defines what the contractor is required to do.

FAPs for the CLDJ base operations support contract were developed in a chart format and contain the following elements.

- Specification (Spec) item – corresponds to the paragraph or subparagraph in the contract statement of work that contains the specific work requirement.
- Performance Objective – the outcome the contractor should achieve.
- Performance Standard – the measurable level or range of output for the performance objective.
- Method of Assessment (MOA) – the Method of Assessment generally requires periodic sampling (PS), in which a portion of the contractor's work is reviewed and verified at predetermined times.
- Assessment Level (AL) – a level from 1 to 3 that indicates how detailed the review and verification will be. Level 1 is reviewed first, and, if the performance is found to be unsatisfactory, level 2 will be reviewed, and so on.
- Sample Size – the portion of the total population that will be reviewed and verified.
- Frequency (Freq) – denotes the frequency of inspection, which can be weekly, monthly, or another predetermined period.

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<sup>2</sup> The Federal Acquisition Regulation uses the term Quality Assurance Surveillance Plan instead of FAP. To be consistent with NAVFAC guidance, we will use FAP throughout this report.

<sup>3</sup> NAVFAC Business Management System B-14.3, "Performance Assessment," October 2, 2013.

<sup>4</sup> The specification writer converts the customer's needs into contract language, and contributes technical knowledge of specification formats.

<sup>5</sup> NAVFAC Business Management System B-14.3 identifies PA personnel as the contracting officer's representative (individual who is designated and authorized in writing by the contracting officer to perform specific contract administration or technical functions), PARs, and senior PARs (reviews PAR documentation, conducts periodic training for PARs, and assists the contracting officer's representative with documenting contractor performance).

Figure 1 contains an excerpt from the Fire and Emergency Services FAP, which shows each of the elements defined above.

*Figure 1. Excerpt from the Fire and Emergency Services FAP*

Spec Item	Performance Objective	Performance Standard	MOA	Assessment Level			Sample Size		Freq
				AL1	AL2	AL3	Normal	Reduced	
3.1	<b>Emergency Medical Services (EMS)</b> The Contractor shall provide EMS to ensure adequate, proficient, and prompt response to all EMS dispatch calls to treat injuries and minimize loss of life.	EMS personnel are BLS certified and ambulance drivers are EVOC qualified as specified.  Ambulances are on scene within specified times (ambulance resources permitting).  EMS procedures are provided and performed per Contractor SOPs.	PS		N/A	N/A	10%	5%	M
3.2	<b>Fire Protection Services</b> The Contractor shall provide fire protection services.	Fire protection calls are responded to within the specified time limits in DoD Instruction 6055.6.  Drills are conducted to identify deficiencies so that further training needs	PS		N/A	N/A	10%	5%	M

## Review of Internal Controls

DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses concerning FAP development for the CLDJ base operations support contract. Specifically, the FAPs did not contain all contractor work requiring assessment, measurable performance standards, and adequate methods to assess the services. However, NAVFAC officials took corrective action to address the internal control weaknesses prior to issuance of this report. We will provide a copy of this report to the senior official responsible for internal controls at NAVFAC.

## Finding

### Functional Assessment Plans Not Adequate to Assess Contractor Performance

NAVFAC Atlantic officials did not ensure the FAPs for the CLDJ base operations support contract were adequate to assess contractor performance as required by the Federal Acquisition Regulation (FAR).<sup>6</sup> We nonstatistically sampled 3 of 22 base operations support contract services—security operations, fire and emergency services, and supply services. In summary, NAVFAC officials did not ensure the FAPs for the three services contained all contractor work requiring assessment, measurable performance standards, and adequate methods for assessing contractor performance. This occurred because NAVFAC guidance did not require:

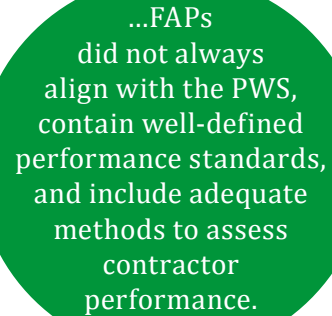
- the contracting officer to review the FAPs after development and revision to ensure that the FAPs included measurable performance standards and all contractor work requiring surveillance; and
- additional controls over the contractor assessment process in an expeditionary environment.

(FOUO) As a result, the PARs could not properly assess contractor performance, increasing the risk that contract requirements were not being met for security operations, fire and emergency services, and supply services, which were valued at approximately [REDACTED]. Although we did not observe any substandard work by the contractor during our review, not meeting contract requirements for the services reviewed could have a direct effect on the life and safety of CLDJ personnel and the security of CLDJ assets.

<sup>6</sup> FAR Subpart 46.4, "Government Contract Quality Assurance," June 14, 2007.

## Inadequate Functional Assessment Plans

NAVFAC Atlantic officials did not ensure the security operations, fire and emergency services, and supply services FAPs were adequate for PARs to assess contractor performance. Specifically, as required by the FAR subpart 46.4, the FAPs did not always align with the PWS, contain well-defined performance standards, and include adequate methods to assess contractor performance.



...FAPs did not always align with the PWS, contain well-defined performance standards, and include adequate methods to assess contractor performance.

### ***Plan Not Aligned With Performance Work Statement***

The supply services FAP did not always align with the PWS. Specifically, the supply services FAP did not contain all contractor work requiring assessment and contained performance objectives for work not required by the contract. We compared the PWS specification items to the supply services FAP and identified that the FAP did not contain performance objectives for 11 of the specification items. We also identified that the FAP contained nine performance objectives for work not required in the PWS.

The 11 PWS specification items not included in the FAP related to hazardous material (HAZMAT) control and management services. For example, the PWS stated that the contractor was required to:

- prepare HAZMAT documentation to ensure shipping and delivery were properly recorded,
- deliver all HAZMAT to the customer safely and properly, and
- label all HAZMAT to meet Occupational Safety and Health Administration Hazardous Communications Standards.

However, the FAP did not contain the corresponding performance objectives necessary for the PAR to assess the contractor's performance.

The nine performance objectives included in the FAP for work not required in the PWS related to material management services. For example, the FAP required the PAR to assess the contractor's performance in meeting the following performance objectives:

- provide inventory management services to ensure the proper stock is on hand to meet customer needs,

- receive and process supplies to ensure inspection, sorting, and staging are accurate and safe, and
- provide storage to ensure the protection and accountability of supplies.

Although the FAP required the PAR to assess the contractor's performance, there was no PWS requirement for the contractor to provide those services.

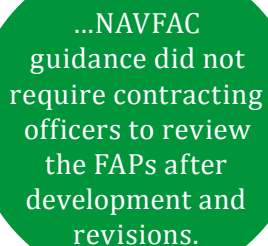
### ***Performance Standards Not Always Measurable***

The FAPs did not always contain measurable performance standards for assessing contractor performance. For example, the fire and emergency services FAP required the PAR to assess whether the aircraft fire suppression procedures comply with industry standards. However, the FAP did not specify which industry standards the PAR should review when assessing the contractor's performance.

### ***Assessment Methods Not Always Adequate***

The FAPs did not always contain adequate methods for assessing contractor performance. For example, the security operations FAP required the PAR to evaluate whether the contractor received more than one valid customer complaint per month for commercial vehicle escorts. The method of assessment in the FAP required the PAR to periodically sample 10 percent of the customer complaints to determine whether more than one valid complaint was received for commercial vehicle escorts. In accordance with the PWS, there should be no more than one validated complaint per month, otherwise performance is unsatisfactory. To determine whether performance is unsatisfactory based on one valid complaint, the PAR would need to review all customer complaints. Therefore, the appropriate method for assessing contractor performance should be to validate all customer complaints, not periodic sampling 10 percent of them.

## **NAVFAC Guidance Incomplete**



...NAVFAC guidance did not require contracting officers to review the FAPs after development and revisions.

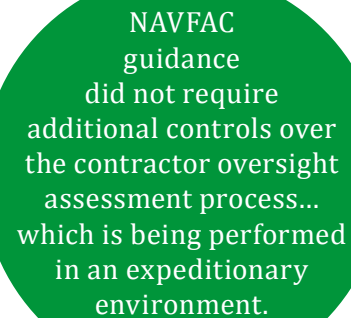
The FAPs were not adequate for assessing contractor performance because NAVFAC guidance did not require contracting officers to review the FAPs after development and revisions. Further, NAVFAC guidance did not require additional controls over the contractor assessment process in an expeditionary environment.

### ***Contracting Officer Not Required to Review FAPs***

The contracting officer was not required to review the FAPs. According to the contracting officer, FAP review is not typically the function of the contracting officer, and referred us to the NAVFAC Business Management System B-14.3 "Performance Assessment." Business Management System B-14.3 required the specification writer and PA personnel to develop the initial FAPs, and the PA personnel to revise and update the FAPs, but did not require the contracting officer to review the FAPs for completeness and accuracy. FAR Subpart 1.602-2 "Responsibilities," states that the contracting officer is ultimately responsible for ensuring the contractor meets the contract requirements. Since the contracting officer appoints the PA personnel and the PA personnel are responsible for verifying that the contractor performs in accordance with the contract terms and conditions, the contracting officer should ensure the FAPs are adequate for assessing contractor performance. Therefore, NAVFAC guidance should require that the contracting officer review all FAPs when developed and after any revisions.

### ***Insufficient Controls in an Expeditionary Environment***

NAVFAC guidance did not require additional controls over the contractor oversight assessment process for the CLDJ base operations support contract, which is being performed in an expeditionary environment. The Business Management System B-14.3, required PA personnel to revise and update the FAPs to match the awarded contract and tailor the methods of assessment, sample sizes, and frequencies of assessment to the performance standards. However, the Business Management System did not contain guidance to account for deployed PARs and contracting officer representatives who lack contract experience to effectively revise and update the FAPs and determine the appropriate methods of assessment, sample sizes, and frequencies of assessment.



NAVFAC guidance did not require additional controls over the contractor oversight assessment process... which is being performed in an expeditionary environment.

The five PARs we interviewed were deployed to CLDJ for 9 to 13 months.<sup>7</sup> After arriving in Djibouti they were informed of their assignment and that they would perform contract oversight in areas which they had technical experience. The

<sup>7</sup> A supply PAR volunteered to extend the deployment at CLDJ and deployed to Djibouti for 23 months. She was a PAR for the last nine months of her deployment. Therefore, we only considered the time while she was a PAR.

PARs then attended a 3-day contract oversight training course<sup>8</sup> that covered areas such as PAR responsibilities and examples pertaining to methods of assessment and sample sizes. In addition, four of the five PARs had never heard of a PAR until arriving in country.

Inexperienced PARs in a rotational assignment did not effectively manage FAPs, or determine the appropriate methods of assessment. For example, the fire and emergency PWS and FAP require emergency service personnel to be basic life support certified. However, the FAP did not provide instruction on how to determine whether personnel are certified. To verify, the PAR explained that the contractor provided, from its electronic database, a list of fire and emergency personnel assigned on a specific day and a list of their training. The PAR reviewed the training list to determine whether any employees were not on the list. He stated that he checked the training list provided by the contractor and did not identify any training deficiencies. He felt there was no reason to actually view the certificates because the contractor did not have a reason to provide inaccurate information. If the PARs do not review the certificates to verify that personnel are properly trained and certified to provide basic life support they risk the lives and safety of employees who could be treated by uncertified individuals. NAVFAC guidance should require NAVFAC contracting personnel assist in updating the FAPs for PARs to use in an expeditionary environment.

## PARs Could Not Perform Adequate Oversight

~~(FOUO)~~ Without adequate FAPs, the PARs could not adequately assess contractor performance for the CLDJ base operations support contract. This increased the risk that contract requirements were not being met for security operations, fire and emergency services, and supply services, which were valued at approximately [REDACTED]. Although we did not observe any substandard work by the contractor during our review, not meeting contract requirements for the services reviewed could have a direct effect on the life and safety of CLDJ personnel and the security of CLDJ assets. For example, the supply FAP did not include requirements for HAZMAT control and management services. Without steps to review the HAZMAT requirements, the PARs would not be required to verify that the contractor properly labeled all HAZMAT materials to Occupational and Safety Health Administration Hazard Communication Standards, which could result in serious safety issues. In addition, the FAP did not include requirements for preparing HAZMAT documentation to ensure shipping and delivery was properly recorded.

<sup>8</sup> The audit team only requested and acquired the four training certificates from the PARs interviewed at CLDJ.

~~(FOUO)~~ Without procedures to ensure proper shipping and delivery of HAZMAT, the PARs would not be required to verify that the contractor properly shipped and received all HAZMAT materials, which could result in mishandling of materials.

## Management Actions Taken

During the audit, NAVFAC officials took corrective actions to address the findings. Specifically, on March 16, 2015, the Business Management System was revised as follows:

- Business Management System B-14.3 was updated to require the contract officer representative conduct a FAP review to ensure all contract work requirements are identified, and methods for assessment of contractor performance are appropriate for the work being assessed.
- Business Management System B-14.3 was updated to require the Facilities Engineering Command Facility Support Contract Management and Facility Services staff<sup>9</sup> to provide technical support during FAP development and revision in locations where PA personnel are in rotational or short term assignments.

During the audit, NAVFAC officials took corrective actions to address the findings.

In addition to updating the Business Management System, NAVFAC officials updated the security operations, fire and emergency, and supply services FAPs...

In addition to updating the Business Management System,

NAVFAC officials updated the security operations, fire and emergency, and supply services FAPs on March 25, 2015, in response to the deficiencies we identified. For example, the updated FAPs added a unit of measure to each specification item. NAVFAC officials informed us that the updated FAPs were provided to CLDJ on March 31, 2015.

We commend NAVFAC for taking corrective action during the audit as their actions addressed all identified audit findings. NAVFAC updated the three FAPs included in our review and revised their guidance to ensure that subsequent FAPs are adequately developed. In addition, a NAVFAC official informed us that the NAVFAC Atlantic team worked with NAVFAC EURAFSWA and CLDJ personnel on the updates for all the FAPs, to include reviewing all the requirements in the BOS contract. Therefore, we made no recommendations in this report.

<sup>9</sup> All new installation construction activities and service contracts are managed and controlled by the Public Works Department. The Public Works Department assigns engineering support, construction project management, and service contract management, to the Facilities Engineering and Acquisition Division. The Facilities Engineering Command Facility Support Contract Management and Facility Services is a branch within the Facility Engineering and Acquisition Division; which one is located with NAVFAC EURAFSWA.

## Appendix A

### Scope and Methodology

We conducted this performance audit from August 2013 through August 2015, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

~~(FOUO)~~ We nonstatistically selected 3 of the 22 CLDJ base operations support contract annexes, valued at approximately [REDACTED], for review-security operations, fire and emergency services, and supply services. We selected those annexes because of potential risks due to readiness, the high dollar value of the scope of work to be performed, or the impact the services could have on the health and safety of personnel.

We visited NAVFAC officials in Norfolk, Virginia, and Naples, Italy, and evaluated whether the officials appropriately managed the base operations support contract. We met with contracting officials at both locations to discuss how the contract requirements were developed, how the responsibility for the administration of the contract was divided between the offices, and how modifications and delivery orders were processed after contract award. We reviewed documentation to determine whether NAVFAC officials sent the performance objectives and standards for review to regional program directors before solicitation, and if NAVFAC received approvals for those annexes. In addition, we reviewed the transfer of contract documentation from NAVFAC Atlantic to CLDJ for contract administration.

We visited CLDJ and observed Government PA personnel performing oversight for the three contract services reviewed. We interviewed the administrative contracting officer, the contracting officer's representative, supervisory performance assessment reviewers, and PARs to determine their roles in the administration of the base operations support contract. We reviewed security operations, fire and emergency services, and supply services FAPs to determine whether they met FAR subpart 46.4 requirements and were sufficient to provide effective oversight of contractor performance. We reviewed PWS changes to determine whether the changes represented new, updated or reduced requirements. We reviewed the NAVFAC PAR training materials to identify the information provided to the PARs and whether NAVFAC informed the PARs of their

duties and responsibilities, in accordance with the NAVFAC Business Management System B-14. We met with base tenants at CLDJ to determine whether they received the services, as required by the contract.

We reviewed the CLDJ base operations support contract, valued at approximately \$36 million, six contract modifications valued at \$4 million, and 17 delivery orders valued at approximately \$1.8 million. We reviewed contract modifications and delivery orders to determine whether NAVFAC contracting officials included any requirements already covered in the PWS and properly administered the modifications and delivery orders. We also reviewed the 779 contractor questions submitted during the contract proposal process to determine whether they resulted in changes to the PWS, and if NAVFAC contracting officials updated the PWS accordingly.

## Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

## Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) and the Department of Defense Inspector General (DoD IG), the Army Audit Agency, and the Naval Audit Service have issued nine reports on base operations support contracts. Unrestricted GAO report can be accessed at <http://www.gao.gov>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.aaa.army.mil/>. Naval Audit Service reports are not available over the Internet.

### GAO

Report No. GAO-12-290, "Operational Contract Support: Management and Oversight Improvements Needed in Afghanistan," March 29, 2012

### DoD IG

Report No. DODIG-2014-069, "Invoice Processes Administered in Accordance With DoD Guidance; However, Purchase Request Approvals Need Improvement, and the Army Could Gain Efficiencies By Converting to a Firm-Fixed-Price Contract," May 2, 2014

Report No. DODIG-2013-097, "Improvements Needed in the Oversight of the Medical-Support Services and Award-Fee Process, Under the Camp As Sayliyah, Qatar, Base Operation Support Services Contract," June 26, 2013

Report No. DODIG-2013-007, "Award and Administration of Multiple Award Contracts at Naval Facilities Engineering Command Specialty Centers Need Improvement," October 26, 2012

Report No. D-2011-078, "Contracts Supporting Base Operations in Kuwait Need Stronger Management and Administration," June 30, 2011

### ***Army***

Report No. A-2013-0142-MTE, "Contract Requirements for the Base Operations Support Contract-Kuwait," August 22, 2013

### ***Navy***

Report No. N2013-0030, "Naval Air Station Sigonella, Italy Base Operating Support Contract," June 7, 2013

Report No. N2012-0052, "Camp Lemonnier, Djibouti, Base Operating Support Contract," June 28, 2012

Report No. N2012-0003, "Department of the Navy Acquisition and Disbursing Checks and Balances at Camp Lemonnier, Djibouti, Africa," November 9, 2011

## Appendix B

### Base Operations Support Services Contract Annexes

The CLDJ base operations support contract includes the following 22 annexes detailing the services to be provided by the contractor:

- 1. Management and Administration:**  
Provide management of the overall base operations support activities.
- 2. Security Operations:**  
Provide security and safety for personnel, property, facilities, and assets.
- 3. Fire and Emergency Services:**  
Provide fire and emergency services to ensure personal injury, loss of life, and damage to property is minimized as a result of accidents, and manmade and natural disasters.
- 4. Emergency Management:**  
Provide emergency management services to ensure preparedness, mitigation, response and recovery can be effected before, during, and after any natural and manmade emergency in a proper and timely manner.
- 5. Airfield Facilities:**  
Provide airfield facilities services to ensure aircraft are supported in a proper, safe, and timely manner.
- 6. Passenger Terminal and Cargo Handling:**  
Provide passenger terminal and cargo handling services to ensure authorized passengers are embarked and disembarked, and cargo is loaded and unloaded safely, securely, and in a timely manner to support scheduled arrivals and departures.
- 7. Ordnance:**  
Provide ordnance services to ensure that ordnance is handled, stored, inventoried, and issued to meet customer demands in a safe, proper, and timely manner.
- 8. Supply Services:**  
Provide supply services to ensure customers receive proper support in a timely manner.
- 9. Morale, Welfare, and Recreation:**  
Provide Morale, Welfare, and Recreation program services to ensure mental, physical, social, and educational needs of all participants are met.
- 10. Galley:**  
Provide galley services to ensure nutritious and acceptable meals are available to all eligible patrons during specified meal periods in a clean and sanitary environment.

**11. Bachelor Quarters:**

Provide operations management, change-of-occupancy services, and laundry services to ensure quality services and habitable bachelor quarters are available for resident and transient personnel.

**12. Facility Investment:**

Maintain, repair, and alter facilities, equipment, and systems to ensure they are fully functional and in normal working condition.

**13. Custodial:**

Provide custodial services to ensure facilities are clean, sanitary, and sightly.

**14. Pest Control:**

Provide pest control services to ensure pests are controlled in a proper and timely manner.

**15. Integrated Solid Waste Management:**

Provide integrated solid waste management services to ensure refuse and recyclables are properly collected and disposed.

**16. Ground Maintenance and Landscaping:**

Provide grounds maintenance services to ensure a sightly appearance.

**17. Electrical:**

Operate and maintain the electrical power generation plant and distribution system to safely produce, transmit, and distribute reliable electrical power such that all electrical requirements are continually met.

**18. Wastewater:**

Operate and maintain the wastewater treatment plant and collection system to ensure wastewater is collected, treated, and disposed of in a safe, sanitary, and timely manner.

**19. Water:**

Operate and maintain the raw water supply wells, reverse osmosis water purification units, domestic water, and fire protection distribution systems to safely produce, treat, and distribute quality, reliable potable water to ensure that camp demands are continually met.

**20. Base Support Vehicles and Equipment:**

Provide Base Support Vehicles and Equipment services to ensure vehicles and equipment are provided and operated in a safe, proper, and timely manner, and maintained to minimize breakdowns and maximize useful life.

**21. Environmental:**

Provide environmental services to ensure the installation environmental program complies with DoD and Navy policies and instructions.

**22. Forward Operating Location Facility Support, Manda Bay, Kenya:**

Provide facility support services to ensure Forward Operating Location Manda Bay facilities, equipment, and systems are fully functional and operational, and maintained in a proper and timely manner.

## Appendix C

### Other Matters of Interest

#### ***Revised Internal Procedures for the Issuance of Delivery Orders***

During the audit, we identified that 9 of the 17 delivery orders issued by the CLDJ base operations support contract administrative contracting officer were incorrect. Of the nine delivery orders, six were issued for work not identified in the PWS, which should be charged to the indefinite-delivery, indefinite-quantity contract line item number as required by the contract. However, the administrative contracting officer erroneously charged the delivery orders to the firm-fixed-price contract line item number instead. Incorrectly charging work to the firm-fixed-price contract line item number could result in unexpectedly running out of funding for the firm-fixed price contract line items. The remaining three delivery orders were for recurring work. According to the Chief, NAVFAC EURAFSWA contracting, recurring work should be included in the PWS through a contract modification, instead of a delivery order.

We notified the Chief, who supervised the administrative contracting officer, of our concerns. The Chief was not reviewing delivery orders or contract modifications valued at less than \$150,000. Because of the nine incorrect delivery orders, the Chief stated that she revised her internal procedures to require the administrative contracting officer to submit all contract actions to her for review before signing, which should reduce the risk of additional incorrect delivery orders. However, we did not review the implementation of this procedure.

#### ***Revised Guidance to Ensure the PWS is Updated in Response to Contract Requirement Changes***

During the audit, we identified that the specification writer was not required to update the PWS when changes were made to contract requirements during the award process. During the award process for the CLDJ base operations support contract, the bidding contractors submitted 779 inquiries to NAVFAC concerning the proposal. The contracting officer incorporated the 779 inquiries and the corresponding Government responses into the contract. Of the 779 inquiries, we identified 21 responses<sup>10</sup> that required a change to the PWS; however, the specification writer did not update the PWS in conjunction with 11 of those responses. The contracting officer stated she did not believe all the changes were captured in the PWS due to the number of inquiries and that this “could be problematic in that it makes it a little more difficult for administration purposes.” Although NAVFAC Business Management System B-14.2 provided instructions on

<sup>10</sup> For the purpose of the review, we did not count multiple inquires with the same subject as separate inquires.

developing and review of the PWS, it did not provide guidance on updating the PWS when contract requirements are modified before the contract is awarded. However, during the audit, NAVFAC officials took corrective actions to address this deficiency. On March 16, 2015, the Business Management System B-14.2 was updated to require the specification writer to provide an updated PWS, prior to contract award, if any amendments impact the PWS during the award process.

## Acronyms and Abbreviations

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<b>CLDJ</b>	Camp Lemonnier, Djibouti
<b>EURAFSWA</b>	Europe, Africa, Southwest Asia
<b>FAP</b>	Functional Assessment Plan
<b>FAR</b>	Federal Acquisition Regulation
<b>HAZMAT</b>	Hazardous Materials
<b>NAVFAC</b>	Naval Facilities Engineering Command
<b>PA</b>	Performance Assessment
<b>PAR</b>	Performance Assessment Representative
<b>PWS</b>	Performance Work Statement



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